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ABSTRACT

This is the case study of a real institution whose newly elected president took some decisive and difficult steps to avert the financial ruin of his institution. A panel was appointed to study the institution's condition and to report on: the options for change that existed; the financial and educational steps that could and should be taken during the next 5 years; and how the action must be taken. The positive actions advocated by the panel fell into 4 interrelated categories: (1) finances, which included: conserving assets, stepping up recruitment of students, more active fund raising, and improving space utilization; (2) the academic program, which included: creating a distinctive urban oriented curriculum, improving faculty productivity; and faculty involvement in trying to solve the problems; (3) management, which included administrative reorganization, and improved planning and leadership; and (4) community involvement, which included an expanded public service role. (AF)

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SURVIVAL THROUGH CHANGE: A Case Study of a Privately Supported Urban University's Plan to Fight the Budget Squeeze

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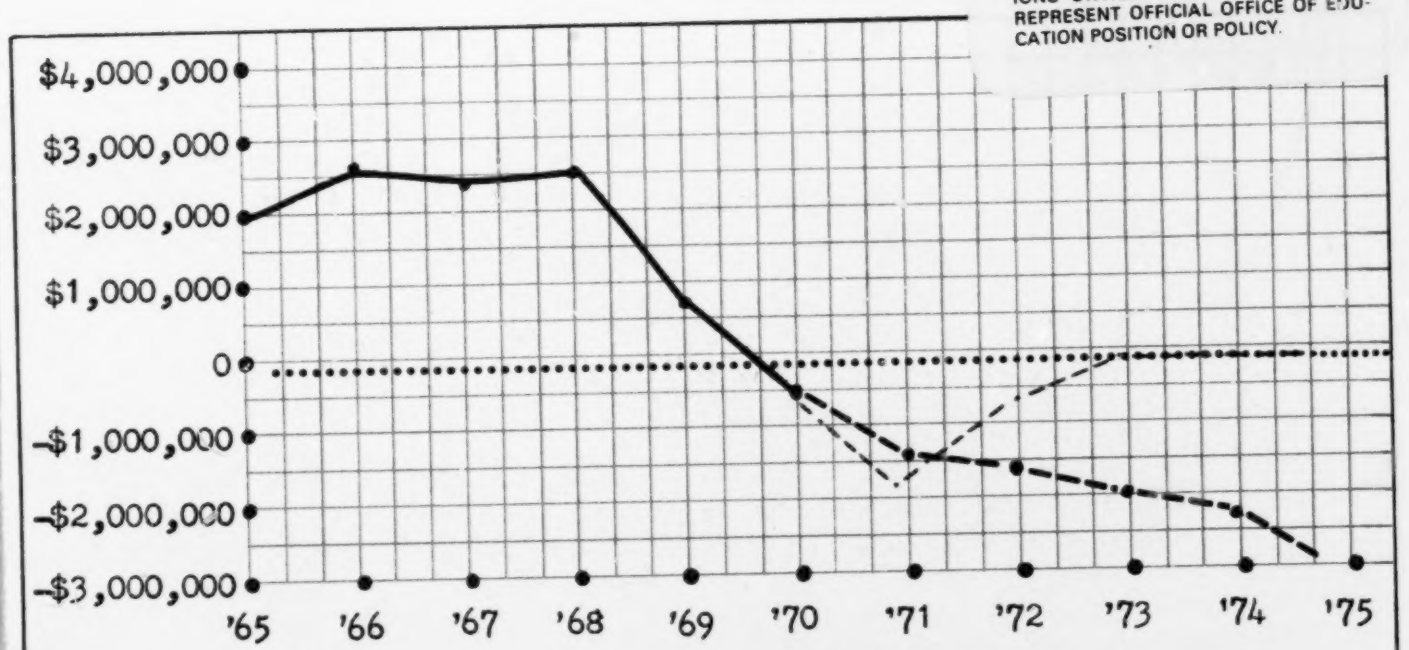

Financial Prospects Before and After Planning at "Wilson University"

HE002587

MANAGEMENT DIVISION
ACADEMY FOR EDUCATIONAL DEVELOPMENT

The Management Division of the Academy for Educational Development, Inc., a nonprofit tax exempt planning organization, was established in 1970 under grants primarily from the W.K. Kellogg Foundation. Its purpose is to help college and university presidents and other officials to improve the administration of the nation's institutions of higher learning. To achieve this purpose, MD conducts research, publishes the results, and organizes conferences and professional development programs. For further information about MD write the Management Division, Academy for Educational Development, Inc., 437 Madison Avenue, New York, New York 10022.

A limited number of additional copies of this case study are available free upon request.

TO COLLEGE PRESIDENTS:

How would you diagnose your college's health?

Here is a checklist of some early symptoms indicating institutional disease. Without prompt detection and treatment, they can drain finances and eventually force a college out of operation.

If you think your college exhibits one or more of these symptoms, you will be interested in the following story of what the president of one privately supported college did to turn his institution around.

The situation is real; only the names have been changed.

Students

- ☐ Dropping enrollment; lackadaisical recruitment
- ☐ Declining credit hours
- ☐ Unrecognized changes in student body composition

Departments

- ☐ Too many chairmen
- ☐ Excessive numbers of required courses
- ☐ Underenrolled classes
- ☐ Other evidence of empire-building

Faculty

- ☐ Abnormally low teaching loads
- ☐ Too much released teaching time
- ☐ Excessive faculty moonlighting
- ☐ Tenure conferred as an automatic reward for longevity
- ☐ Too many leaves of absence

Finances

- ☐ Dependence on tuition as the major source of income
- ☐ Property assets costing more to maintain than they yield
- ☐ No fund raising by trustees

Management and Planning

- ☐ Failure to delegate responsibility
- ☐ Poor communications
- ☐ No uniform policies
- ☐ Little control over faculty productivity or cost per teaching hour
- ☐ Lack of cost controls and cost analyses
- ☐ No institutional research
- ☐ No inventory of facilities and equipment
- ☐ Under-utilized space
- ☐ Failure to review objectives and priorities
- ☐ Neglect of long-range planning

Survival Through Change

A case study of a privately supported urban university's plan to fight the budget squeeze

Eighteen months ago, it looked as though Wilson University might go under.

The chief source of income was tuition, but enrollment had been dropping for several years. The trustees were doing no fund raising. An operating deficit of $250,000 was anticipated for 1969-70. If income continued to decline and costs to rise, the deficit by 1975 would run into millions of dollars and the university would be forced to close its doors.

By the fall of 1970, however, the university had launched a campaign to recruit out-of-town students. In January 1971, a newly appointed Director of Development began reorganizing the university's development effort. In February the faculty voted to establish a new Division of Health and Allied Health Professions, a new Directed Studies and Developmental Skills Center, a new certificate program in nutrition education, and to drop the physical education requirement from the core curriculum.

Best of all, in January 1971, the business school faculty adopted an entirely new business curriculum. The dean of the School of Business Administration, when asked how he had gotten the faculty to hammer out a new curriculum, at first replied, "I locked them in a room." Actually, he went on to explain, the reason the teaching staff had not made the major effort previously was that "no one had ever asked them before."

Perhaps this case study of Wilson's crisis and the means of resolving it will lead others to ask the right questions before it becomes a matter of survival.

How the turnaround began

The change in atmosphere and the surge of constructive activity at Wilson was triggered, at least in part, by a study that offered recommendations for Wilson's survival. The investigation generated sufficient interest, inquiry, and analysis, however, to motivate some change even before the study panel placed its report on President Bradley Ashford's desk in March 1971.

After nine months of intensive analysis of every aspect of Wilson's operation, the study panel arrived at three major conclusions:

- that the issue at stake was no less than the survival of Wilson University as a private institution.
- that if "business as usual" continued, Wilson could not operate more than a few years.
- that the university had the capability and resources to reverse its situation if it made some major changes in its operation (see cover chart).

Bitter prescription

Even though President Ashford had commissioned the study himself and had already initiated some of the changes recommended, he was shocked at what he read in the completed report.

The alternatives were laid out neatly and with candor: life or death for the university. As the report stated unequivocally, the only way that its president stood even the slightest chance of saving the university was by forcefeeding it with immediate and massive economies combined with planned and systematic new approaches of a long-range nature.

Austerity headed the list of tactics because the study panel believed strongly that without some immediate belt-tightening, the recommendations leading to greater long-range cost effectiveness would have little impact. For openers, the administration would have to

- drop 20 faculty members in 1971 and at least 100 more over the next two years.
- increase teaching loads to 15 hours a week for all full-time faculty members.

- withhold new commitments for tenure.
- freeze salaries.
- hire no new personnel.
- reduce student aid.
- cut maintenance costs.
- eliminate certain academic programs.

Less urgent but equally necessary, if Wilson were to cut expenditures by $1.5 million and balance its budget by 1973-74, the planning group recommended the following:

- offer fewer courses and/or specific courses less frequently.
- increase the student-faculty ratio from 17:1 to 25:1.
- cut student services.
- reduce the number of support staff.
- abandon plans to build new facilities or to substantially renovate existing facilities.
- eliminate academic departments, and put related fields of study together wherever possible.

In addition to these cutbacks, the report laid out a positive plan of action to put Wilson back on the track. The elements of this plan included:

- aggressive fund raising
- economy of operation
- conservation of assets
- improved space utilization
- administrative reorganization
- development of a distinctive educational program
- vigorous recruitment of students
- involvement of the board of trustees
- involvement of the faculty
- increased community involvement

There were, of course, other courses of action open to Wilson University. Among those discussed but not recommended were that Wilson

- close down, sell its property and merge its operations with another institution.
- raise tuition substantially each year.
- cut salaries substantially each year.
- merge with other private institutions in the area to create a new university.
- eliminate first and second year programs, thus becoming a senior college and graduate school.
- attempt to become an elite institution recruiting only superior students and faculty.
- convert to a technical or vocational training center.

These options, the report concluded, would neither solve Wilson's immediate problems nor set the groundwork for its viable future as a private institution.

New broom necessary?

A common reaction to a financial and management crisis is for the administration to resign to make way for new leadership. Bradley Ashford, however, had been president only two years, which meant he had little responsibility for past mistakes and was still new enough not to be defensive about established practices.

Clearly, Wilson's administration and faculty would have to work long and hard to implement the report's recommendations, but the ferment and response generated during the study was encouraging. Ashford decided to lead the battle for survival himself.

As president, he would have to mobilize the board of trustees to launch a major fund-raising campaign (after convincing the board that fund raising was one of its major responsibilities), solicit private and public funds himself, and coordinate overall planning at Wilson, including a new recruitment drive and a revamped educational program.

If he failed, the report's warning was ominous: "Wilson would face imminent ruin."

Hard to believe

The whole situation had an aura of unreality about it. Weren't most of the colleges that had been forced to shut down small institutions?

Wilson University had more than 7,600 undergraduate, graduate, and non-degree students, full- and part-time. Its plant was worth $30 to $40 million on the open market. Over the last 20 years, the university had accumulated a net operating surplus of some $17 million.

People described Wilson as that warm, easy-going personal college where students and faculty appeared reasonably content with their lot. Most students commuted from within a fifteen-mile radius to the Wilson campus, which occupied an entire large city block. Faculty members prided themselves on their pedagogic, rather than their scholastic accomplishments. Classes were small, teaching schedules light.

There were some vaguely disturbing factors, such as the graffito scrawled on the wall, "Wilson University, where one succeeds without really trying." But even that, thought Ashford, would—in its own wry way—be reassuring to many.

After all, Wilson University had endured in the city for 45 years, dispensing traditional liberal arts and business programs to a predominantly middle-class constituency, embracing the student who aspired to a college education, but whose scholastic performance or temperament limited him to a respectably mediocre, less competitive, slightly more expensive education than that offered by nearby public institutions.

What made it credible

Unfair as it might seem that a large university like Wilson could go under, Ashford had been hearing ominous rumblings, both internal and external, for some time. Over the past five years, Wilson had been plagued by numerous turnovers at key administrative positions (including that of president), student strikes and sit-ins, and a faculty uprising. Bitterness and lethargy, Ashford discovered, characterized relationships among the board of trustees, the administration, the faculty and the students. Creativity was almost non-existent, even mistrusted. Department heads strove to assemble unchallengeable fiefs, and faculty

clung unrealistically to the illusion that Wilson University was an eternal and unassailable fountainhead of security.

Actually, Wilson was experiencing the same economic pinch from rising costs and inflation as other colleges and universities. In addition, nearby institutions were opening their admissions to virtually all comers, thereby eliminating much of Wilson's attraction as an easy entree to higher education. The university's trustees, disturbed by what they felt to be unruly students and unproductive faculty, were reluctant to solicit gifts and grants.

Moments of truth

Ashford's first big jolt came during his first year as president when a memo from his financial officer indicated that Wilson was headed for a $250,000 operating deficit for fiscal 1969-70.

Ashford's reaction was swift and momentarily effective. Making across-the-board cuts in administrative and teaching services, he managed to trim the budget and produce an operating surplus of $43,479 for the year.

Then he decided to take a hard look at the facts and figures. He had been unable to get—either because records were inadequate or communications poor—many pieces of information that he felt a well-informed college president ought to know. This, he realized, was dangerous.

Ashford considered instigating a self-study, but Wilson's staff was simply too busy with its own daily responsibilities to conduct a detailed comprehensive study without some assistance. Furthermore, he decided, additional viewpoints could inject some objectivity in a diagnosis of Wilson's ills and recommended solutions.

The board of trustees, however, denied that Wilson was beset by a financial crisis and refused to fund the study. As the chairman of the board, a bank president, later told the planning group, "Why panic on account of one bad year? Let's wait and see what happens."

So Ashford was faced with the problem of raising the money himself. He made the rounds of the various foundations and finally found

two that would put up half the money; the remainder had to come from Wilson's budget.

Organizing the study

First, Ashford arranged for the appointment of a panel of distinguished persons experienced in higher-education planning who could examine his institution's condition and report on:

(1) What options for change existed, what avenues were already closed and why;
(2) What financial and educational steps Wilson could and should take during the coming five years; and
(3) How action must be taken.

Further, he asked the panel to produce a workable plan in the light of the university's history, its present condition, and prospective trends in higher education in the city during the next five years.

From Ashford's standpoint, the composition of the panel was critical to the outcome of the study. The panel consisted of five persons: four who were or had been presidents and chancellors of colleges and universities, and one expert in higher-education management.

The study took nine months and involved—besides the panel, a small staff and several consultants—many faculty members, administrative officers, trustees and students.

With the assistance of university officials, the staff assembled and analyzed substantial statistical and descriptive data on all aspects of university operations: enrollment, finances, teaching loads, recruitment, academic programs, community involvement, space utilization, and administrative policies and procedures. In addition, by means of over 100 personal interviews and a questionnaire distributed to all faculty and students, the staff ascertained the views of trustees, administrative officers, faculty and students on the problems and prospects of Wilson.

In arriving at its conclusions and recommendations, the panel made great use of the facts and figures. It commissioned memoranda on Wilson from expert consultants on fund raising, curriculum, management,

recruitment, and inter-institutional cooperation. Finally, in preparing a workable plan for the university, the panel drew upon judgment gained through its considerable experience.

Prognosis—good; medicine—bitter

The panel found a clear need for Wilson's brand of education, and felt that the university had the potential to meet it. After all, 7,600 students continued to attend despite administrative turnover, unfavorable publicity, rising costs, and aggressive recruitment by nearby colleges and universities. The resources were there, but it would take a rigorous and creative program of change, begun immediately, to transform Wilson into a solvent and vital institution in five years. Did the university administration and faculty have the will to reorder Wilson's priorities and do what was necessary?

The rallying cry for the next five years, the panel said, would have to be "survival through change."

Bitter medicine to swallow for an institution with $25 million in net assets. Yet the hard financial facts were these: even if Ashford froze salaries and left vacant jobs unfilled, Wilson University would be $1,127,000 in the red by 1971-72. If he continued business as usual, declining income and rising costs could result in a $7 million deficit by the end of the school year 1975.

Is the crisis unique?

Obviously, President Ashford had to summon the courage and leadership to cut and cut hard, yet at the same time to begin building and developing for the future. But how unique is this challenge in higher education today?

Wilson's problems are representative of the college scene, where the budget squeeze is a daily fact of life and administrators have to be constantly on guard to prevent their institutions from drifting into the same difficulties Wilson had accumulated.

"Academic programs and construction alike," declared the study panel, "have to pay for themselves out of current resources, not out of future commitments by students and donors. . . . Austerity means more

than cutting specific items and living within one's means. It means eliminating waste by exerting control over all operations . . . scrutinizing and justifying all procedures and policies."

Pulling back from the brink

Positive actions advocated by the panel fell into four interrelated categories: finances, the academic program, management, and relations with the community.

FINANCES

After enjoying operating surpluses for 16 consecutive years, Wilson University was confronted with the prospect of a cumulative deficit of $1.5 million for the years 1970-71 and 1971-72. Since Wilson's income could be expected to decline (almost unnoticed by the administration, full-time equivalent enrollment, the basis of its income, declined by 12 percent since 1967), cutting costs became the number one priority.

Without specifying items—other than letting go 120 faculty in three years—the panel urged the university's board of trustees and Ashford to work out a program aimed at balancing the university's operating budget by 1973-74.

Guidelines for saving money

The guidelines assumed enrollment of at least 5,000 full-time equivalent students in the fall of 1973 (a 10 percent drop); at least $250,000 a year to be raised by the trustees for each of the next three years to cover faculty salary increases; doubling of state aid to private institutions by 1973-74, but no increase in federal aid.

To balance the budget, the report recommended the following policy changes:

- an increase in the student-faculty ratio to at least 25 to 1, with major cutbacks in faculty and staff support personnel within the next 24 months.
- the elimination of departments, with related study fields grouped wherever possible.

- a teaching load of 15 hours a week for full-time faculty members.
- elimination or alternate scheduling of classes enrolling fewer than 15 students, with more combinations of large lecture and small group discussions.
- freezing all salaries at 1970-71 levels unless—or until—Wilson could raise extra money.

The board was advised to issue no employment contracts until the three-year budget plan had been constructed and approved; make no new tenure commitments until the university could clearly afford them; appoint no faculty or staff without a case-by-case discussion of the need between the president and the board or its representative; and make a commitment to an "extensive new series of fund-raising activities."

A tough but feasible program, in the panel's opinion. The plan did not require raising tuition, since this might drive away prospective students.

Conserving assets

An important part of survival, the panel said, was looking after the university's tangible assets. Located in the downtown area, which is part of a large-scale urban renewal program scheduled for completion by 1980, Wilson University's campus consists of six buildings and an athletic field, which together take up about one large city block. Other physical properties include three adjacent high-rise apartment buildings where some of the faculty and married students live, and several university-owned stores which, because of high insurance costs and taxes, cost Wilson about $30,000 a year. Incurring any new liabilities, through construction or renovation, was out.

In addition to caring for its tangible assets, Wilson would have to pay more attention to cultivating its intangible assets and diverse constituencies—namely, its board of trustees, who had given the university no financial assistance for many years; its alumni, who were not organized; and the faculty and administration, whose energies and talents were too often dissipated in petty internal conflicts.

As one administrator put it, "If only half the time spent on quarreling and in-fighting had been spent on building up the university, we wouldn't be in the mess we're in today."

Stepping up recruitment

Until recently, Wilson University's admissions office had simply processed applications from students. No one had made much of an effort to seek out new students. There seemed little need for it. In fact, during one six-month disruption when for all practical purposes the admissions office was closed, prospective students still came in to apply.

But the situation had changed. Competition for the college-bound student—whatever his level of ability, field of academic interest or financial capacity—had sharpened throughout the country. It had become particularly fierce in the city, where no less than seven private institutions within a two-mile radius of Wilson vied for high school graduates. And not only was Wilson University in competition with institutions like itself, caught in the spirals of declining enrollments and rising costs, but it was contending directly with the free tuition policy of the city's ubiquitous multiversity.

The antidote recommended: an aggressive student-recruiting campaign to stem the declining enrollment and insure the university its share of the narrowing market among private institutions.

Because Wilson depends so heavily on its tuition income, it seemed expedient to defer any change in admissions standards, accepting all applicants capable of paying the tuition and providing remedial work where necessary.

President Ashford was advised to study carefully recent enrollment trends and to note the significant changes that had occurred in the composition of Wilson's student body. The proportion of graduate, transfer, foreign, evening and part-time students had all increased. For them, Wilson University seemed to fulfill needs and provide services not readily available elsewhere.

In order to capitalize upon this potential market, President Ashford was urged to appoint a young, energetic director of admissions, who

would stake his job on his ability to recruit students. It would be his responsibility to mobilize students, faculty and alumni as active recruiters. With their support, he would mount an intensive advertising and public relations campaign to publicize the university's assets.

As new ways to appeal to students, the report recommended that Wilson

- offer an urban semester or year for students from nonurban colleges.
- adopt flexible arrangements for the granting of transfer or advanced study credit for previous college work, work experiences, home study, correspondence courses, etc.
- expand degree and nondegree adult education programs to fulfill community demand.
- recruit students among the employees of large corporations and government agencies, and develop extension programs at those installations.
- increase efforts to attract or contract for students from other local colleges and universities.

Fund raising

Unlike most private U. S. colleges and universities, Wilson University had never actively sought operating gifts and bequests. Its main source of operating income was tuition—a dangerously narrow base of operations. It was apparent that a vigorous marshalling of funds—private as well as public—would be essential to the university's continuing solvency. Lobbying for state and federal money, while desirable, could not substitute for the solicitation of private donations. Furthermore, the major responsibility for such fund-raising activities, as pointed out by the regional association of college and secondary schools which accredits Wilson University, rests unequivocally with a university's trustees, led by their president. Wilson's board of trustees had remained aloof from this crucial function. Not only should the university mount a development effort without delay, said the panel, "but unless its board exercises the important function of recruiting money, a private college or university cannot exist in today's education world."

Recommendations were specific:

- that the board announce its commitment to a major fund-raising role, which would include obtaining private gifts of $250,000 a year for each of the next three years, all earmarked for a special faculty salary improvement fund.
- that the board instruct the president and the director of development to prepare, by May 1, 1971, a three-year development plan for the university including the recommendation above and also establishing a continuous fund-raising activity for operating and capital purposes.
- that the board organize several members into a task force to seek state and federal funds on a continuing basis.

Improving space utilization

The report revealed that Wilson's campus contained enough space to meet the present and expected needs of its students, faculty and administration.

Most instruction took place in the new nine-story humanities building, a brown cubistic piece of functional architecture, which contained 57 of the university's 74 classrooms.

Only 70 of the classrooms were used regularly, but a statistician calculated that they offered a total of 3,360 classroom-use possibilities a week. In the spring semester of 1971, they were vacant 29.5 percent of the time. This meant that the university had plenty of instructional space; some of it shabby, some difficult to use, and a lot of it wasteful, but apparently ample for everyone's needs.

The same held true for office space. Most faculty members had offices. Some even had lush carpeted suites, and one department head had accumulated a small empire, complete with walnut conference table and chaise longue, in the bowels of the old office building. Many teachers, however, used their offices only a few hours a week, while the frequently occupied administrative offices were austere and rather cramped.

Some facilities—the gymnasium, the laboratories and the library—badly needed improvement, and portions of the two oldest structures

—converted office buildings—were expensive to operate and in poor condition.

The main need was for a new library, which had been promised and denied several times. The library resources were the focal point of much discontent among faculty and students. Scattered among several floors of one of the old office buildings, they had been severely criticized by the State Department of Education as inadequate. There was such a shortage of stack space that books were piled in the corridors. The collection itself was lacking in range, if not in volume.

The big problem was that the planned new library would cost $7 to $9 million, plus at least $640,000 a year to operate.

In the face of a growing deficit, the panel told President Ashford, Wilson University simply could not afford to build a new library or to remodel existing facilities. For the time being, Wilson might better convert existing quarters as creatively as possible and at minimal cost, then join with neighboring institutions to build a common library in the urban renewal area abutting Wilson University.

Similarly, Wilson was urged to seek ingenious ways to meet other space needs at minimum cost.

ACADEMIC PROGRAM

The major reason, of course, for maintaining any college or university is to provide an educational program that effectively serves the needs and aspirations of its students.

Academically, Wilson was composed of two degree-granting colleges, each headed by a dean: a liberal arts college subdivided into four major divisions—humanities, natural science, social science, and education—with 20 departments; and a business school subdivided into six departments. In addition, Wilson operated a Division of Adult, Evening, and Continuing Education. This division had its own dean, separate admission standards, and a variety of degree and non-degree programs.

Primarily an undergraduate school, Wilson University granted both undergraduate and graduate degrees in the arts and sciences, education, and business administration. Although the catalogue described the uni-

versity as dedicated to "the experimental, the innovative, the new and untried," the panel agreed with the State Department of Education's description of the university's curriculum as "rather traditional and unimaginative in content and presentation."

Outdated requirements restricted a student's freedom to experiment and discover his own interests, increased the sections and courses offered and artificially inflated the size of the faculty in a number of departments. For example, the philosophy department, which produced only ten majors in the graduating class of 1969-70, had nine full-time faculty members. Apparently the dictum that all students in the liberal arts college take first-year philosophy courses was bolstering the department.

Generally, the curriculum lacked creativity. Jealousies among department chairmen discouraged innovation. Interdisciplinary courses were scarce and offered primarily only to honors students. The lecture method predominated, few opportunities existed for independent study, and the university's academic program scarcely tapped the city's cultural, educational and business resources.

Class size was another problem. During the spring of 1970, undergraduate classes averaged 27 students and graduate classes 18 students, but many enrolled fewer than 15 students. Policy dictated that if the number of students fell below 12 in undergraduate and eight in graduate classes, the class was to be cancelled. The policy was usually ignored. In fact, one professor, finding himself short a student, simply added his wife's name to the roll.

The most basic weakness was a lack of overall academic planning and policies, largely because of frequent changes in the institution's top academic positions.

Creating a distinctive urban-oriented curriculum

The development of a distinctive educational program for Wilson University, the panel decided, would involve nothing less than a complete overhaul, a redefinition of educational objectives, generation of appealing programs, and an imaginative approach to the dual aims of cutting costs and improving educational quality.

To accomplish these goals, the panel told President Ashford, his deans and a small faculty committee should examine closely actual educational objectives, the core curriculum, degree requirements, teaching methods, enrollment patterns in each department, and departmental and divisional structures. Only then should the committee reconstruct the curriculum.

Specifically, Wilson was advised to

- revitalize its original goals of service to the individual and to the surrounding community.
- appoint an *ad hoc* committee, including faculty and student leaders, to develop a comprehensive plan for a new urban studies orientation for the university. The program, it was suggested, would emphasize metropolitan and neighborhood problems, pre-professional training, practical knowledge and its application to the needs of the surrounding community.

Within this framework, Wilson might

- offer a variety of urban-related courses such as "American Urban History," "Economics of Urban Areas," "Comprehensive Health Planning," "Metropolitan Planning and Development," and "Urban Regional Research," while retaining appropriate emphasis on the humanities, arts and sciences.
- establish a multi-disciplinary approach to learning.
- provide as many work-study arrangements as possible, with emphasis on community-related problems.
- take advantage of the city's vast educational and cultural resources by establishing cooperative arrangements with colleges, universities, art institutes, music academies, and other agencies in the area, and by inviting distinguished visiting professors or other prominent persons to lecture on the Wilson campus.
- maintain full-time associate degree programs in paraprofessional careers related to the area's manpower needs.
- consider eliminating programs and courses that were too costly, unpopular, or unrelated to Wilson's new educational purpose, and

arrange for interested Wilson students to take such subjects at nearby institutions.

In setting up new curricula, the panel urged that particular attention be directed toward opportunities for federal and foundation support in such areas as health, manpower training, in-service training for teachers in ghetto areas, and the management of city services.

Finally, the panel recommended that, as the university refocused its curriculum, the faculty as a whole should consider reducing core requirements, exposing students to a wider variety of learning experiences and increasing independent study opportunities.

"A key goal," said the panel, "should be 'student learning' rather than 'faculty teaching.' "

Improving faculty productivity

In the fall of 1970, Wilson University had 348 full-time faculty members. The number represented a rise of 6.7 percent during the previous three years, while Wilson's full-time equivalent student enrollment dropped 12.3 percent. The faculty was predominantly young (the average age of the tenured faculty was 45), reasonably well paid compared with their colleagues in other private institutions, and far more involved in teaching than in research or publication.

Many of the faculty were moonlighting (particularly in the business school, where several professors ran thriving accounting services on the side), a significant number were judged to be stagnating intellectually, and several were openly contemptuous of the academic mediocrity of their students.

The atmosphere, to put it mildly, was not conducive to superior education, intellectual inquiry or creative ferment. Timidity, apathy, inaction and lack of incentive characterized the mood of the faculty. As one department chairman explained the relaxed, almost lazy attitude on campus, "Nobody pushes me and I don't push my faculty."

Why rock the boat?

The board had fallen into an easy trap. Almost automatically, it had awarded tenure to 59 faculty members since 1967. Forty-six percent of

the total faculty was on tenure at the time of the study, a rise of 15 percent in three years. All Wilson's librarians had faculty status, and some, including the audiovisual specialists, had tenure.

The increase in the number of tenured faculty constituted an important long-range financial commitment. The study panel estimated that $27 million (plus fringe benefits) had been committed in just three years, or about $9 million a year. No one on campus ever thought of tenure in these terms.

In the past, no doctoral degree had been required for tenure or promotion to senior faculty rank. Less than half of all faculty members held a doctorate, and 26 percent of those on tenure had no such degree. The formula was simple: if you stayed long enough and offended no one, you were awarded tenure.

During the fall semester of 1970, the average full-time teacher was assigned 10.6 hours of classroom instruction. Although most faculty members taught nine to 12 credit hours, teaching loads ranged from two to 19 credit hours.

How to motivate the faculty?

Generating enthusiasm for change—or at least cooperation—among the faculty was probably President Ashford's most difficult challenge. He would have to counteract their mistrust and complacency and get them to assume an active role, providing the expertise for curriculum planning, development and evaluation.

Several factors, however, were working in Ashford's favor. One was supply and demand. Faculty members who otherwise might resist change and the temporary freeze on salaries might be willing to go along in view of the current job-hunting climate. Also, no conscientious teacher wants to see his institution closed if he can help to prevent this. If Ashford could get faculty members caught up in building, developing, improving, they might come through. But it would take enthusiastic leadership.

The task would require faculty members to work harder and longer than they had in the past. "They will have to agree to accept uniform measures of productivity," the panel said. "Teaching workloads will

have to be increased. Besides teaching, faculty members will have to assist in counseling, recruiting, fund raising, planning, institutional research, developing research proposals and many other activities deemed essential to Wilson's future." Furthermore, they will have to recognize that tenure is not an automatic reward for longevity.

Much of the success for establishing a viable Wilson University—or any university—would depend upon the faculty. They are its closest link to its most important constituents: the students.

MANAGEMENT

For Wilson University to achieve the required changes in finances and program, it would have to increase substantially its administrative and organizational efficiency. The panel found Wilson's management structure to be plagued by a host of interrelated problems—including a lack of leadership in key positions, a rapid turnover in recent years among members of the executive team, no clear definition of policy or of administrative roles and relationships, and underadministration at the top levels. The result was that some people at Wilson were concentrating on jobs with low priority while certain important tasks, such as planning, fund raising and community relations, were neglected.

Undermanagement

Undermanagement and underadministration at the executive level had characterized Wilson University's operations for many years. President Ashford had inherited a structure that kept him inundated with routine, day-to-day details, and seriously hampered his performance of fund raising, governmental relations, planning, coordination and other functions for which a university president has primary responsibility.

Ashford lacked adequate administrative or staff assistance. Moreover, he had ten operating executives (several appointed within the last two years), including four deans, five directors and the registrar reporting directly to him. Each commanded a portion of his attention and restricted the time and energy he could devote to policy matters.

The dean of the liberal arts college was no better off. In addition to

an assistant and associate dean, whose tasks were not clear, he had 20 department chairmen reporting to him. He also served as the president's principal academic staff officer, and acted for the president in his absence. Like the president, he was so submerged in detail that he had little time to spend on program development, policy or major administrative decisions. Moreover, he lacked sufficient competent staff to whom to delegate important matters.

The financial officer did not fare any better. He was responsible for budget preparation, personnel policy and management, physical facility needs and security, but he had only one professional, two secretaries and a student clerical worker on his staff. Among other things, he was unable to exert sufficient control over costs or to conduct cost analyses.

Other offices had simply been poorly administered. The offices of admissions and development were particularly unstable and poorly led, mainly because their administrators were relative amateurs in highly professional fields.

Lack of planning and leadership

There was no overall academic planning, no uniform faculty policy, and no control over productivity or cost per teaching hour. Such vital functions as academic, physical and long-range financial planning were neglected. Objectives, priorities and resource evaluations escaped review.

Throughout the institution there was a lack of communication that made it impossible for officials to anticipate problems. The budget crisis was a prime example. Tuition is payment for credit hours, and for three years the number of credit hours taken by Wilson University students—freshmen in particular—had been declining. But none of Wilson's top executives knew it.

To be sure, the head count of students on campus had decreased by only 1.6 percent since 1967. The trouble was that students were enrolling for fewer credits and therefore providing less revenue. While no one was watching, the money fell off.

The information gap was so great that no one had a record of the number of offices on campus or the number of typewriters owned by the university. Both administrators and faculty complained that they lacked space, when in fact there was plenty of space.

The message—in retrospect—is clear. Institutional analysis and research might have provided data for sound recommendations and decisions about such basic items as enrollment, finances, policy problems, and administrative procedures. Without data, no one—including the university's board of trustees—ever asked the right questions.

Too many chiefs at the department level

While executive functions suffered from undermanagement, the academic departments were clearly overadministered. There was an abundance of department chairmen, assistant chairmen, summer chairmen and others. In the fall of 1970, the 26 department chairmen had been given a total of 122 hours of released time from teaching—the equivalent of 10 full-time faculty members teaching 12 hours a semester.

Streamlining the operating team

Plainly, neither Wilson nor any other university or college can afford such arrangements. The solution can only be a tough-minded reorganization.

In line with the recommendation to develop a new curriculum concentrating on urban studies, it was decided that Wilson would need the following administrators:

- President
- Vice President for Academic Affairs
- Dean of the Liberal Arts College
- Dean of the Business School
- Vice President for Administration
- Vice President for Student Affairs
- Vice President for Development

Backing up the seven-man executive team, and reporting directly to Ashford, would be three special staff assistants: the Director of Institutional Analysis and Research, the Director of Public Service and Community Relations, and the Director of Public Relations. All new appointees plus additional staff assistants needed by the executive team would have to be drawn, the panel emphasized, from *existing* administrative and faculty personnel. The university simply could not afford to hire anybody new until it raised the funds for this purpose.

The new operating team would be charged with providing Wilson University with the coherent leadership it lacked; and with pinpointing specific responsibilities, particularly for policy formation, planning, management, curriculum review, student and faculty relations, development, data gathering and analysis, and community and public relations programs.

Consolidating the academic structure

Like the management structure, the organization of the educational program, too, needed streamlining to coincide with the new educational focus and with financial reality. Specifically, the panel advised Ashford to

- abolish the present departmental structure in the liberal arts college, eliminate present departmental chairmen and assistants, and reorganize the college into four divisions—Communications and Creative Arts, Physical Sciences, Natural Sciences, and Professional Training—each headed by a director to whom the faculty assigned would be responsible.
- abolish the departmental structure in the business school and assign an assistant dean to be responsible for the present duties of the six departmental chairmen.
- consolidate all remedial and basic educational programs into an Educational Clinic which, under the leadership of a director, would provide speech, reading, writing and counseling for students and interested members of the community.
- retain a separate Division of Adult, Evening and Continuing Education to recruit evening students and develop evening programs, but transfer all responsibility for determining admission standards and degree requirements to the deans of the liberal arts and business colleges.

Other major recommendations for improved management included:

- eliminating the Office of Job Placement and Career Planning and transferring its functions to the deans and their faculties.
- establishing a Wilson Center Community Council to report to

the university board on major issues. Members of the community, along with representatives of the administration, faculty and student body, would participate in the Community Council.

- establishing a Management Council consisting of members of the operating team, which would meet regularly to plan and determine approaches to Wilson's management problems.
- reorganizing present councils and committees to promote greater efficiency and increased cooperation among students, faculty and administration.
- appointing a campus ombudsman, drawn from the faculty and responsible to the president, to hear and act upon student, faculty and administrative staff complaints and grievances.

COMMUNITY INVOLVEMENT

For a university—especially an urban institution—to succeed, involvement with the community is essential.

In many ways, Wilson's relationships with the surrounding community were healthier than its internal communications. The university interacted constantly with a neighboring low-income community inhabited largely by blacks and Puerto Ricans. It operated reading clinics, planned paraprofessional training programs, offered adult education classes, and made educational and athletic facilities available to community organizations.

The university also provided scholarship assistance to minority students in the area; participated on a half-and-half basis with the state in financing a Higher Education Opportunity Program; administered an extensive disabled student program; operated accounting, education, nursing and medical technology internship programs; and was trying to establish a graduate school of public administration to train governmental officials.

Further, Wilson was a charter member of a 22-institution consortium of schools, colleges, universities, hospitals, and other non-profit educational and cultural organizations in the area which had plans to pool resources, to share computer facilities, security arrangements and other services.

The study panel felt that, as a commuter institution located in a densely populated urban area, Wilson University could capitalize even further on its opportunities for community involvement and at the same time fulfill its obligation to play a major public service role.

But the university had no official coordinator for its public service activities. They were undertaken by various individuals and departments in relative isolation. No one investigated or followed up sources of financial support for existing programs or possible projects.

An expanded public service role

The panel recommended that a Director of Public Service and Community Relations should define Wilson's public service mission, and initiate and supervise a wide variety of community projects, such as:

- broadening field experience opportunities for students through arrangements with local government agencies, business and industrial firms, political and community organizations.
- developing programs to educate and train middle management personnel in public administration, if possible through government-aided pilot projects in group training.
- expanding community use of the Educational Clinic that would provide basic instruction in reading, speech and writing, as well as counseling and testing services.
- extending the adult education program with special emphasis on meeting the educational and career needs of community residents.
- promoting further involvement of the community in Wilson's affairs, partly by membership in the proposed Wilson University Community Council and by increasing joint community-Wilson activity.

The panel felt that these measures would benefit both Wilson and the community—that heightened involvement would enhance Wilson's educational program, its understanding of urban problems, and its relationship within the community. The panel cautioned Wilson against viewing its neighborhood as a laboratory, and urged rather that it be regarded as a partner in coping with situations affecting both parties.

The panel also recognized that the university, by working with other colleges and universities in the area, could improve the quality of education, utilize its staff and facilities better and reduce costs. Therefore, it urged President Ashford to initiate cooperative arrangements through the 22-member consortium to which Wilson and nearby educational institutions belong. Bilateral contracts or multi-institution agreements would allow students to participate in programs and services too costly for a single institution to sponsor separately, such as library, computer and other educational and cultural facilities.

* * *

On the way to recovery

The study was circulated widely to trustees, administrative officers, faculty, and students. To those unacquainted with the cold, hard facts, the report came as a shock. Many people had suspected that Wilson was in trouble and that some changes would have to be made, but few had realized that the university was in danger of closing unless dramatic changes were made.

Even before the report was released, Wilson University began making changes, mostly in the form of revitalizing and modernizing its curriculum. The report, however, was very clear on the priorities: unless Wilson enacted austerity measures immediately in all areas, other changes —in curriculum, management, fiscal policies—would be futile.

As soon as the report was distributed, President Ashford appointed an *ad hoc* student-faculty-administration committee to review it and to make recommendations on future actions. The committee's report, which contained 25 recommendations for action, acknowledged the facts and figures included in the panel's report and agreed with its major conclusion: Wilson University could no longer tolerate "business as usual." The committee argued that for the university to succeed, it would have to practice some austerity (including terminating contracts for 40-45 faculty members over the next two years) and implement other necessary changes.

For his part, President Ashford endorsed the panel's call for austerity,

especially when he found out that the 1971 spring enrollment was lower than anticipated. Faced with further restriction in income and an increase in expected deficit, he decided he could not wait any longer. The word went out from the president's office:

- No adjunct faculty were to be hired.
- No new full-time faculty were to be hired.
- Plans for building the new library would be reconsidered.
- Termination notices would be sent out to some non-tenured faculty members, effective September 1972.
- Library, security, and other expenditures would be curtailed.

The prognosis for Wilson University was encouraging. There would be tough sledding ahead. Unpopular decisions would have to be made. But at least now people knew the facts and could ask the right questions.

The Academy for Educational Development, Inc., is a nonprofit tax exempt planning organization which pioneered in the field of long-range planning for colleges, universities, and state systems of higher education. The Academy has conducted over 100 major studies for institutions throughout the country, as well as for national agencies such as the U.S. Office of Education, the National Science Foundation, the Agency for International Development, and the National Institutes of Health. It undertook the first nationwide analysis of long-range planning for higher education, which included seminars with approximately 750 college presidents from every part of the country. Additional information regarding the Academy's complete program of services to education may be obtained from its offices:

437 Madison Avenue
New York, New York 10022
(212) 758-5454

1424 Sixteenth St., N.W.
Washington, D.C. 20036
(202) 265-5576

770 Welch Road
Palo Alto, California 94304
(415) 327-2270